

MONTHLY OPERATING REPORT**CHAPTER 11****CASE NAME: COMMUNITY HOME FINANCIAL SERVICES, INC.****CASE NUMBER: 12-01703-NPO****For Period 03-01 TO 03-31, 2020**

Form Attached	Previously Waived	Required Reports/Documents
x		Comparative Balance Sheet (Form 2-B)
x		Profit and Loss Statement (Form 2-C)
x		Cash Receipts and Disbursements Statement (Form 2-D)
x		Supporting Schedules (Form 2-E)
x		Narrative (Form 2-F)
x		Copies of Bank Statements and Reconciliation of Bank Balance to Book Balance for all Accounts

I declare under penalty of perjury that the following Monthly Operating Report and any attachments thereto, are true and correct to the best of my knowledge and belief.

Executed on:

April 9, 2020

Debtor-- Community Home Financial Services, Inc.

By:

Position:

Name of Preparer:

Telephone Number:

Kristina M. Johnson, Trustee
 Chapter 11 Bankruptcy Trustee
 Kristina M. Johnson, Esq.
 601-949-4785

**See General Disclaimer (attached
hereto as Exhibit "A")**

CASE NAME: Community Home Financial Services, Inc.

CASE NUMBER: 12-01703-NPO

COMPARATIVE BALANCE SHEET

ASSETS:	Filing Date	Month Ended	Month Ended	Month Ended	Month Ended	Month Ended
	5/23/2012	11/30/2019	12/31/2019	1/31/2020	2/29/2020	3/31/2020
CURRENT ASSETS						
Cash	\$ 42,061	\$ 11,195,785	\$ 11,099,673	\$ 11,240,497	\$ 11,316,640	\$ 11,353,661
Accounts Receivable, Net	40,363,325	60,309,097	60,179,668	60,113,928	60,075,434	59,984,179
Due from Sortis Financial	-	34,546	146,473	76,695	36,433	89,868
Prepaid Insurance	-					
Legal Retainer-D. Henderson	22,500					
Legal Retainer-Wells, Marble, etc.	35,833					
TOTAL CURRENT ASSETS	\$40,463,719	\$ 71,539,429	\$ 71,425,815	\$ 71,431,121	\$ 71,428,507	\$ 71,427,708
PROPERTY, PLANT & EQUIP	\$ 85,342	\$ 355,339	\$ 355,339	\$ 355,339	\$ 355,339	\$ 355,339
Less Accumulated Depreciation	(46,940)	(355,339)	(355,339)	(355,339)	(355,339)	(355,339)
NET PROPERTY, PLANT & EQUIP	\$ 38,402	\$ -	\$ -	\$ -	\$ -	\$ -
OTHER ASSETS						
Foreclosed Real Estate	\$ 57,000	\$ 57,000	\$ 57,000	\$ 57,000	\$ 57,000	\$ 57,000
Loans due CHFS	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
Alleged Misappropriated Funds		9,095,090	9,095,090	9,095,090	9,095,090	9,095,090
Recovery of Alleged Misappropriated Funds		(5,933,707)	(5,933,707)	(5,935,690)	(5,936,682)	(5,937,674)
Questionable Payments by DIP		441,607	441,607	441,607	441,607	441,607
Payments Remitted Not Received		91,211	91,211	91,211	91,211	91,211
Estimated Taxes		4,775	4,775	4,775	4,775	4,775
Deferred Tax Assets		331,361	331,361	331,361	331,361	331,361
★ Payment to Beher Holdings Trust on Portfolio #7		1,587,754	1,587,754	1,587,754	1,587,754	1,587,754
TOTAL OTHER ASSETS	\$ 3,257,000	\$ 8,875,091	\$ 8,875,091	\$ 8,873,108	\$ 8,872,116	\$ 8,871,124
★★ TOTAL ASSETS	\$43,759,121	\$ 80,414,520	\$ 80,300,906	\$ 80,304,228	\$ 80,300,623	\$ 80,298,832

*Paid pursuant to Docket Entry 137
 “Memorandum Opinion and Order on
 Third Amended Complaint in
 Adv. Proc. 13-00104-NPO.” Additional
 Accounting Adjustments will be made on
 an amended March 2020 MOR after
 additional information is gathered.

***See Disclaimer (attached hereto
 as Exhibit “B”)

***Three houses and lots have been abandoned from the
 bankruptcy estate per Court approval. See Dkt. #1493.
 The Trustee does not have sufficient knowledge at this time
 to adjust the books and records of the debtor-corporation
 to reflect these abandonments. The Trustee will make the
 necessary adjustments to the books and records at a later
 date and disclosure of same will be made at that time.

CASE NAME: Community Home Financial Services, Inc.

CASE NUMBER: 12-01703-NPO

LIABILITIES:	Filing Date 5/23/2012	Month Ended 11/30/2019	Month Ended 12/31/2019	Month Ended 1/31/2020	Month Ended 2/29/2020	Month Ended 3/31/2020
POST-PETITION LIABILITIES:						
Taxes Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	57,124	48,102	48,102	48,102	48,102	48,102
State Taxes Payable		-	-	-	-	-
Other:		2,526	2,526	2,526	2,526	2,526
TOTAL POST-PETITION LIABILITIES	\$ 57,124	\$ 50,628	\$ 50,628	\$ 50,628	\$ 50,628	\$ 50,628
PRE-PETITION LIABILITIES:						
Notes payable-Secured	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Priority Debt						
Unsecured Debt (See Attached)	30,908,189	30,511,547	30,511,547	30,511,547	30,511,547	30,511,547
Unearned Discounts		44,268,780	44,165,865	44,113,592	44,082,985	44,010,423
Unreconciled Diff DIP MOR & Actual Notes Rec		13,654,193	13,654,193	13,654,193	13,654,193	13,654,193
Disputed Loans Discovered June, 2015		9,464,448	9,464,448	9,464,448	9,464,448	9,464,448
TOTAL PRE-PETITION LIABILITIES	\$30,908,189	\$ 97,898,968	\$ 97,796,053	\$ 97,743,780	\$ 97,713,173	\$ 97,640,611
TOTAL LIABILITIES	\$30,965,313	\$ 97,949,596	\$ 97,846,681	\$ 97,794,408	\$ 97,763,801	\$ 97,691,239
EQUITY (DEFICIT)						
PREFERRED STOCK	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
COMMON STOCK		108,960	108,960	108,960	108,960	108,960
ADDITIONAL PAID IN CAPITAL		2,285,421	2,285,421	2,285,421	2,285,421	2,285,421
RETAINED EARNINGS:						
Retained Earnings	12,793,808	(21,393,933)	(21,393,933)	(20,678,843)	(20,678,843)	(20,678,843)
Unreconciled Difference in DIP MORs		738,687	738,687	738,687	738,687	738,687
Current Year Earnings		725,789	715,090	55,595	82,597	153,368
TOTAL EQUITY (NET WORTH)	\$12,793,808	\$ (17,535,076)	\$ (17,545,775)	\$ (17,490,180)	\$ (17,463,178)	\$ (17,392,407)
★ TOTAL LIABILITIES & EQUITY	\$43,759,121	\$ 80,414,520	\$ 80,300,906	\$ 80,304,228	\$ 80,300,623	\$ 80,298,832

***See Disclaimer (attached hereto
as Exhibit "B")**

CASE NAME: Community Home Financial Services, Inc.

CASE NUMBER: 12-01703-NPO

	Month Ended 11/30/2019	Month Ended 12/31/2019	Month Ended 1/31/2020	Month Ended 2/29/2020	Month Ended 3/31/2020
NET REVENUE	\$ 138,153	\$ 164,031	\$ 111,967	\$ 65,530	\$ 112,583 ★
COST OF GOODS SOLD:	\$ -	\$ -	\$ -	\$ -	\$ -
Material					
Labor-Direct					
Manufacturing Overhead					
TOTAL COST OF GOODS SOLD	\$ -	\$ -	\$ -	\$ -	\$ -
GROSS PROFIT	\$ 138,153	\$ 164,031	\$ 111,967	\$ 65,530	\$ 112,583
OPERATING EXPENSES:					
Selling & Marketing					
General & Administrative	129,271	174,730	56,372	38,528	41,812
Other Operating Expenses					
TOTAL OPERATING EXPENSES	\$ 129,271	\$ 174,730	\$ 56,372	\$ 38,528	\$ 41,812
INTEREST EXPENSE					
INCOME BEFORE OTHER ITEMS	\$ 8,882	\$ (10,699)	\$ 55,595	\$ 27,002	\$ 70,771
Other Income--Refunds					
NET INCOME (LOSS)	\$ 8,882	\$ (10,699)	\$ 55,595	\$ 27,002	\$ 70,771

*Deferred revenue from the unearned discounts for this month was \$72,561.64. The revenue recognized as unearned discounts is based on the 2017 beginning balances for Unearned Discounts and Accounts/Notes Receivable. As principal payments and other adjustments are recorded each month, a pro-rate share of the unearned discount is recognized as income for the month.

CASE NAME: Community Home Financial Services, Inc.

CASE NUMBER: 12-01703-NPO

Comparative Balance Sheet

Prepetition Liabilities

Unsecured Debt

Debt Due To:	Amount
Beher Holdings Trust-Home Improvement Line	\$ 13,711,000
Edwards Family Partnership-Home Improvement Line	4,570,000
Beher Holdings Trust-Pool 7 BWP 08 Loans	4,857,781
Edwards Family Partnership-DIJ Portfolio 1	1,247,547
Edwards Family Partnership-DIJ Portfolio 2	558,287
Edwards Family Partnership-DIJ Portfolio 3	90,603
Edwards Family Partnership-Promor Investment Pool	49,816
Edwards Family Partnership-BWP 2009 Pool	2,561,716
Edwards Family Partnership-BWP 2007 Pool	2,470,929
Blue World Pools, Inc.-Contingency Claim	157,000
Discount Home Mortgage	98,508
Joe Logan-Disputed brokerage fee	100,000
US Recordings-Filing Fees	28,000
Caldwell Sandford Deibert et al-Attorney Fees	3,575
Decatur City of Illinois-House & lot clean up charges	6,785
Total Unsecured Debt	<u>\$ 30,511,547</u>

Note:

The Trustee's investigation is not yet complete. The amount and nature of any obligations owed to Beher Holdings Trust and Edwards Family Partnership have been addressed in Adversary Proceeding 12-00091 [AP Dkt Nos. 357-358], 13-00104 [AP Dkt Nos.137-138], and 15-80 [APDkt. Nos. 126-127], all presently on appeal. The obligations to Discount Home Mortgage are subject to offsets for a Judgement entered in Adversary Proceeding 14-00030 [Dkt. Nos. 301-302]. Pending completion of appeals and/or a confirmed Chapter 11 plan, the Trustee is retaining the designations used in prior Monthly Operating Reports. The listings on this page are not a concession as to the nature or amounts of the listed obligations.

CASE NAME: Community Home Financial Services, Inc.

CASE NUMBER: 12-01703-NPO

QUARTERLY FEE SCHEDULE

MONTH ENDED 3/31/2020

Payment Date	Net Cash Disbursements	Quarterly Fee Due	Check Number	Check Date
January	\$ 45,530			
February	\$ 42,288			
March	\$ 39,684			
Total				
1st Quarter	\$ 127,501	\$ 975.00		
April	\$ -			
May	\$ -			
June	\$ -			
Total				
2nd Quarter	\$ -	\$ -		
July	\$ -			
August	\$ -			
September	\$ -			
Total				
3rd Quarter	\$ -	\$ -		
October	\$ -			
November	\$ -			
December	\$ -			
Total				
4th Quarter	\$ -	\$ -		

DISBURSEMENT CATEGORY

QUARTERLY FEE DUE

\$0 TO \$14,999.99	\$ 325
\$15,000 TO \$74,999.99	\$ 650
\$75,000 TO \$149,999.99	\$ 975
\$150,000 TO \$224,999.99	\$ 1,625
\$225,000 TO \$299,999.99	\$ 1,950
\$300,000 TO \$999,999.99	\$ 4,875
\$1,000,000 TO \$1,999,999.99	\$ 6,500
\$2,000,000 TO \$2,999,999.99	\$ 9,750
\$3,000,000 TO \$4,999,999.99	\$ 10,400
\$5,000,000 TO \$14,999,999.99	\$ 13,000
\$15,000,000 TO \$29,999,999.99	\$ 20,000
\$30,000,000 OR MORE	\$ 30,000

Community Home Financial Services, Inc.
Constructive Disbursements
Month Ended 03/31/2020

Date	Description	Amount
3/31/2020	Sortis Financial Fees Withheld from Collections	38,937.12
	Totals	<u>38,937.12</u>

CASE NAME: Community Home Financial Services, Inc. CASE NUMBER: 12-01703-NPO

CASH RECEIPTS AND DISBURSEMENTS STATEMENT
For Period 03-01-20 TO 03-31-20

CASH RECONCILIATION

1	Beginning Cash Balance	\$ 11,316,639.99
2	Cash Receipts	\$ 37,768.35
3	Cash Disbursements	\$ 747.00
4	Net Cash Flow	\$ 37,021.35
5	Ending Cash Balance	<u>\$ 11,353,661.34</u>

CASH SUMMARY--ENDING BALANCE

	Amount	Financial Institution
1 Trust Account	\$ -	Wells Fargo DIP CHFS-BHT
2 Trust Account	\$ -	Wells Fargo DIP CHFS-EFP
3 Operating Account	\$ 11,353,661.34	Wells Fargo DIP Operating Acct
4 Trust Account	\$ -	Wells Fargo DIP CHFS-Plan Esc
5 Other Account	\$ -	BancorpSouth Sweep Account
Total	<u>\$ 11,353,661.34</u>	

ADJUSTED CASH DISBURSEMENTS:

\$ 39,684.12

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COMMUNITY HOME FINANCIAL SERVICES INC

04/08/20

Cash Disbursements

Accrual Basis

As of March 31, 2020

Type	Date	Num	Name	Split	Amount
1040 · WELLS FARGO DIP OPER - 9425					
Check	03/16/2020	6299	HOST GATOR	5985 · WEBSITE FEES	-747.00
Total 1040 · WELLS FARGO DIP OPER - 9425					-747.00
TOTAL					-747.00

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COMMUNITY HOME FINANCIAL SERVICES INC

04/08/20

Cash Receipts

Accrual Basis

As of March 31, 2020

Type	Date	Split	Amount
1040 · WELLS FARGO DIP OPER - 9425			
Deposit	03/06/2020	1105 · DUE FROM SORTIS FINANCIAL	36,432.78
Deposit	03/25/2020	1635 · RECOVER OF ALLEGED MIS FUNDS	991.88
Deposit	03/31/2020	4046 · INTEREST REVENUE	343.69
Total 1040 · WELLS FARGO DIP OPER - 9425			37,768.35
TOTAL			37,768.35

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04/08/20

COMMUNITY HOME FINANCIAL SERVICES INC
Reconciliation Summary
1040 · WELLS FARGO DIP OPER - 9425, Period Ending 03/31/2020

	Mar 31, 20
Beginning Balance	12,905,398.10
Cleared Transactions	
Deposits and Credits - 3 items	37,768.35
Total Cleared Transactions	37,768.35
Cleared Balance	12,943,166.45
Uncleared Transactions	
Checks and Payments - 13 items	-1,589,505.11
Total Uncleared Transactions	-1,589,505.11
Register Balance as of 03/31/2020	11,353,661.34
Ending Balance	11,353,661.34

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04/08/20

COMMUNITY HOME FINANCIAL SERVICES INC
Reconciliation Detail
1040 · WELLS FARGO DIP OPER - 9425, Period Ending 03/31/2020

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						12,905,398.10
Cleared Transactions						
Deposits and Credits - 3 items						
Deposit	03/06/2020			X	36,432.78	36,432.78
Deposit	03/25/2020			X	991.88	37,424.66
Deposit	03/31/2020			X	343.69	37,768.35
Total Deposits and Credits					37,768.35	37,768.35
Total Cleared Transactions					37,768.35	37,768.35
Cleared Balance					37,768.35	12,943,166.45
Uncleared Transactions						
Checks and Payments - 13 items						
Check	01/22/2016	6097	AR SECRETARY O...		-300.00	-300.00
Check	01/22/2016	6092	KS SECRETARY O...		-120.00	-420.00
Check	01/22/2016	6088	PA DEPARTMENT ...		-70.00	-490.00
Check	01/22/2016	6100	KY STATE TREASU...		-40.00	-530.00
Check	01/22/2016	6093	KS SECRETARY O...		-35.00	-565.00
Check	01/22/2016	6090	IN SECRETARY OF...		-30.00	-595.00
Check	01/22/2016	6089	TN SECRETARY O...		-20.00	-615.00
Check	01/22/2016	6087	TEXAS SECRETAR...		-15.00	-630.00
Check	01/22/2016	6099	SC SECRETARY O...		-10.00	-640.00
Check	03/01/2016	6113	AUBREY & EVA CA...		-149.11	-789.11
Check	07/25/2016	6128	KY STATE TREASU...		-215.00	-1,004.11
Check	04/26/2018	6218	BEHER HOLDINGS ...		-1,587,754.00	-1,588,758.11
Check	03/16/2020	6299	HOST GATOR		-747.00	-1,589,505.11
Total Checks and Payments					-1,589,505.11	-1,589,505.11
Total Uncleared Transactions					-1,589,505.11	-1,589,505.11
Register Balance as of 03/31/2020					-1,551,736.76	11,353,661.34
Ending Balance					-1,551,736.76	11,353,661.34

Platinum Business Checking

March 31, 2020 ■ Page 1 of 3



KRISTINA M. JOHNSON,
AS CHAPTER 11 TRUSTEE FOR
DEBTOR IN POSSESSION,
COMMUNITY HOME FINANCIAL SERVICES, INC.
PO BOX 23368
JACKSON MS 39225-3368

Questions?

Available by phone 24 hours a day, 7 days a week:
Telecommunications Relay Services calls accepted

1-800-CALL-WELLS (1-800-225-5935)

TTY: 1-800-877-4833

En español: 1-877-337-7454

Online: wells Fargo.com/biz

Write: Wells Fargo Bank, N.A. (825)
P.O. Box 6995
Portland, OR 97228-6995

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Activity summary

Beginning balance on 3/1	\$12,905,398.10
Deposits/Credits	37,768.35
Withdrawals/Debits	- 0.00
Ending balance on 3/31	\$12,943,166.45

Average ledger balance this period \$12,936,178.59

Account number: [REDACTED] 9425

**KRISTINA M. JOHNSON,
AS CHAPTER 11 TRUSTEE FOR
DEBTOR IN POSSESSION,
COMMUNITY HOME FINANCIAL SERVICES, INC.**

Nevada account terms and conditions apply

For Direct Deposit use
Routing Number (RTN): 321270742

For Wire Transfers use
Routing Number (RTN): 121000248

Overdraft Protection

This account is not currently covered by Overdraft Protection. If you would like more information regarding Overdraft Protection and eligibility requirements please call the number listed on your statement or visit your Wells Fargo store.

March 31, 2020 ■ Page 2 of 3



Interest summary

Interest paid this statement	\$343.69
Average collected balance	\$12,936,178.59
Annual percentage yield earned	0.03%
Interest earned this statement period	\$343.69
Interest paid this year	\$1,399.36
Total interest paid in 2019	\$6,108.03

Transaction history

Date	Check Number	Description	Deposits/ Credits	Withdrawals/ Debits	Ending daily balance
3/6		WT Fed#01504 Capital One, NA /Org=Sortis Financial, Inc. FBO Chfs Con Srf# US200306589547 Trn#200306095229 Rfb# 0006206965	36,432.78		12,941,830.88
3/25		Deposit Made In A Branch/Store	991.88		12,942,822.76
3/31		Interest Payment	343.69		12,943,166.45
Ending balance on 3/31					12,943,166.45
Totals			\$37,768.35	\$0.00	

The Ending Daily Balance does not reflect any pending withdrawals or holds on deposited funds that may have been outstanding on your account when your transactions posted. If you had insufficient available funds when a transaction posted, fees may have been assessed.

Monthly service fee summary

For a complete list of fees and detailed account information, see the Wells Fargo Account Fee and Information Schedule and Account Agreement applicable to your account (EasyPay Card Terms and Conditions for prepaid cards) or talk to a banker. Go to wellsfargo.com/feefaq for a link to these documents, and answers to common monthly service fee questions.

Fee period 03/01/2020 - 03/31/2020	Standard monthly service fee \$40.00	You paid \$0.00
How to avoid the monthly service fee	Minimum required	This fee period
Have any ONE of the following account requirements		
• Average ledger balance	\$25,000.00	\$12,936,179.00 <input checked="" type="checkbox"/>
• Combined balances in linked accounts, which may include	\$40,000.00	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> - Average ledger balances in business checking, savings, and time accounts - Most recent statement balance in eligible Wells Fargo business credit cards and lines of credit, and combined average daily balances from the previous month in eligible Wells Fargo business and commercial loans and lines of credit - For complete details on how you can avoid the monthly service fee based on your combined balances please refer to page 10 of the Business Account Fee and Information Schedule at www.wellsfargo.com/biz/fee-information 		

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Account transaction fees summary

Service charge description	Units used	Units Included	Excess units	Service charge per excess units (\$)	Total service charge (\$)
Cash Deposited (\$)	0	20,000	0	0.0030	0.00
Transactions	2	500	0	0.50	0.00
Total service charges					\$0.00

General Disclaimer for MORs

Despite demand, Kristina M. Johnson, Trustee (“**Trustee**”) of the Estate of Community Home Financial Services, Inc. (“**Debtor**”), has not received all operational documents and all books and records of the Debtor from its former officers, employees and/or management. Consequently, the information and amounts reflected in this Monthly Operating Report are based on the best information available to the Trustee at this time. Turnover of the operational documents and other books and records of the Debtor are among the items the Trustee pursued in Adversary Proceeding No. 14-00030-NPO in this Court. This Monthly Operating Report and the classifications, explanations, and/or characterizations herein are subject to revision if additional information is obtained by the Trustee which would result in a material change to the information or amounts set forth herein.

In some instances, names, addresses and account numbers of consumer borrowers have been redacted out of privacy concerns.

EXHIBIT “A”

In late April of 2014, the Trustee obtained remote access to some of the Debtor's computer servers in Panama. Those servers contain the software program the Debtor used to manage and service its loan portfolio.¹

On June 3, 2014, the Court approved the Trustee's retention of Vantium Capital, Inc. a Delaware Corporation doing business as Acqura Loan Services ("Servicer ").² See Dkt. No. 702. The Servicer uploaded to its system the loan portfolio data found on the Debtor's servers. Servicer's report to the Trustee reflected in this Monthly Operating Report reflects a larger amount of receivables than that previously reported by the Debtor. The Trustee is investigating the discrepancy and reserves the right to amend this Monthly Operating Report accordingly.

¹ Despite having access to the servers, much of the Debtor's operational information is not on the servers. Furthermore, most of the Debtor's other books and records have not been turned over to the Trustee.

² Servicer's name was subsequently changed to Clear Spring Loan Services, Inc. Effective January 1, 2018, the company changed its name to Sortis Financial, Inc.

EXHIBIT "B"